

Outprocessing Benefits Checklist

www.NAFbenefits.com

EMPLOYEE: _____

DATE: _____

TITLE/SERIES AND GRADE: _____

Termination/Separation Date: _____

Nature of Action: _____

(If the employee is separating because they have accepted an APF (appropriated fund position), you must read the instructions on page 4 of this document entitled "Portability of Benefits for NAF Employees NAF to APF, P.L. 101-508 amended by P.L. 104-106". If the reason for separation is because employee is a portability of benefits employee participating in the Army NAF Retirement/401k Savings Plan, you must read the instructions on the last page of this document entitled "Portability of Benefits NAF to APF Retirement Out processing").

If the reason for separation is because the employee has accepted a NAF position with another DoD Instrumentality within 90 days of separation, you must read the instructions on the last page of this document entitled "NAF to NAF Portability Outprocessing"

NAF RETIREMENT PLAN

If employee is enrolled in the retirement plan he/she must elect an option by completing [DA Form 3715-R – Disposition of Retirement Benefits](#). The employee has several options available to him/her.

- **May request a refund of your contributions.** Employee should review pages 4-6 of the NAF Retirement Plan Summary Plan Description located at [www.NAFbenefits.com](#), before making a decision. If he/she is a vested employee (5 or more years in the retirement plan), a refund of the employee contributions and interest may not be the best option. Vested employees requesting a refund must provide a notarized spousal waiver form.
- **May leave contributions on deposit for up to 5 years**, if he/she has less than 5 years of credited retirement service. If employee does not rejoin the plan within 5 years of termination date, the money will be refunded to him/her.
- If employee is a vested employee (5 or more years in the retirement plan) **he/she may request a deferred annuity**, payable as early as age 52, or as early as age 50 if employee has at least 20 years participation in the plan or they may leave their contributions on deposit until age 62.
- **May elect an immediate or early annuity.** Normal annuity is at least age 62 with 5 years participation in the retirement plan. Early Annuity is if they are at least age 52 with 5 years participation in the retirement plan or as early as age 50 with at least 20 years participation in the plan (Early Annuity). Early annuities will be reduced 4% per year for every year under age 62 that the employee retires. There are 2 combinations of age and service for early annuities, which will not be reduced for age; age 55 with at least 30 years participation in the plan or age 60 with at least 20 years participation in the plan. Early retirees will also receive a supplemental early retirement benefit (SERB) until the first of the month of their 62nd birthday.

If employee is **planning on retiring**, please have him/her review pages 4-6 of the NAF Retirement Plan Summary Plan description at the above website for further options or contact their Civilian Personnel Unit (CPU) representative.

Disability Retirement

To be eligible for disability retirement benefits, the employee must have participated in the retirement plan for a minimum of 5 years to include the year preceding the disability retirement request. If the employee is over age 52, they only need to have participated in the retirement plan for the year immediately preceding the disability retirement request. If an employee is totally disabled, the CPU may submit EBB form 766-R. This form must be submitted before the employee is separated from employment. This form must be completed by the employee's attending physician and by the employee. The form is submitted by the CPU to EBB, ATTN: Mrs. Alice Edwards. Mrs. Edwards forwards the form to the Surgeon General for a disability benefit determination. If the Surgeon General approves the disability (generally takes approximately 2 weeks for a determination), Mrs. Edwards will notify the CPU of the approval or disapproval. If approved, the employee must then exhaust all of his/her sick leave. The CPU must provide Mrs. Edwards with the last day physically at work along with the salary in effect on that day, the date separated from the rolls (the latter of when sick leave ran out or when the Surgeon General Approved the disability) and the date of separation. (Please note: If the employee ran out of sick leave prior to approval of disability, then a DA Form 3473 coded 20 for LWOP must be submitted to EBB.

Death

Survivors of employees who die while actively employed who were vested in the retirement plan and not of retirement age, are entitled to receive a survivor benefit, which will be 55% of the employee's accrued retirement benefit.

Survivors of employees who die while actively employed who were otherwise eligible to retire on a normal or early retirement benefit, will be eligible to receive the 100% continuation to the spouse benefit.

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Survivors of employees who die while actively employed who were not vested (5 or more years participation in the retirement plan), will receive a refund of the employee's contributions and interest only.

Survivors of retirees should contact John Hancock to report the death and receive any survivor benefits payable that were elected on the retiree's option papers.

Survivors of disability retirees should contact EBB, attn: Ms. Nadeau, 703-681-7264.

401(k) SAVINGS PLAN

If employee is enrolled in the U.S. Army NAF 401(k) Savings Plan he/she may elect a **PAYOUT or ROLLOVER option by contacting Fidelity directly at 1-800-835-5093. Overseas employees may call Fidelity collect from anywhere at 859-491-8257. The separating employee must wait at least 30 days after separation before he/she is permitted to request a payout or rollover. The employee has several options available to him/her. Please have them review pages 5-8 of the 401(k) Savings Plan Summary Plan Description found on the above website.**

- **May request a lump sum payment of entitlements to benefits.** This payment is subject to 20% Federal withholding tax and a 10% IRS penalty tax prior to age 59 and 1/2. Remember, if you are not vested (less than 3 years in a regular status as an Army NAF employee regardless of your participation time in the 401(k) savings plan) you will only receive your contributions and your earnings from those contributions. You will not receive the employer's contributions. You have up to five years to be reemployed in an Army NAF position in order to have your employer account (forfeitures) restored.
- **May request to defer the receipt of your benefit until a future valuation date.** Contributions will remain under the management of Fidelity Investments, Inc. Employee still directs his or her own investment fund option(s). The employee's account will be assessed a quarterly record keeping fee of \$4.25, as long as the account is open. If employee wants this option, no action is required. The employee will just need to contact Fidelity when he/she decides to withdraw or rollover the account at a later date.
- **May request to rollover accrued benefit to an individual I.R.A with Fidelity or another Institution.** This option may interest some employees as Fidelity Investments can set up a monthly annuity amount to be paid to the employee after age 59 1/2, rather than the employee receiving the entire lump sum taxable amount at one time. This annuity option is not available under the group 401(k) account, only under the rollover to individual IRA with Fidelity or other financial institution.

Address Changes: Separating employees who know their address will be changing after separation must either complete DA 3473 changing his/her address or include address change on the separation DA 3434 and CPUs must submit to NFS and EBB for processing at separation.

Disability

If the employee is determined totally disabled by the Surgeon General, he/she is automatically vested in the employer's share of the 401k savings plan, even if he/she has not been employed in a regular position for 3 or more years. To determine total disability, the employee and the employee's attending physician must complete EBB Form 766-R. The CPU submits the 766R to EBB attn: Mrs. Edwards. EBB will send to the Surgeon General for a disability determination.

Death

Surviving spouses of employee's, who were participating in the 401(k) savings plan, will become immediately vested in the employer contributions upon the death of the employee. Surviving spouses may leave the employee's account with Fidelity or they may rollover the account to an individual IRA with Fidelity or another financial institution. In order to make sure that the employee's account is transferred to the spouse's name, please submit a copy of the last 401(k) Enrollment Form with beneficiary information, along with a memorandum to the 401(K) Section Attn: Mrs. Edmond, with the following information: Deceased employee's name, ssn, and date of death. Beneficiary (ies) name, ssn, current mailing address, date of birth, telephone number. If beneficiary is legal spouse, attach a copy of the marriage certificate, notarized. Attach a copy of the death certificate, notarized. A photocopy is acceptable if these notarized certificates were submitted to EBB with the death claim for life insurance.

Other beneficiaries must request a payout of the employee's 401k account. The IRS does not permit rollovers for non-spousal beneficiaries.

GROUP MEDICAL INSURANCE

- **If the employee is enrolled in the DoD Health Benefits Plan for the 90 day period preceding separation, he/she may elect to continue their medical coverage under the Temporary Continued Coverage (TCC) provision for up to 18 months.** The employee is required to complete **DA Form 3473, Part II, the Aetna Change Form and a DoD HBP Form 1700-110.** The CPU representative will complete the "Employer Section" of the forms. The employee must submit his/her check for one month coverage within 31 days after separation to EBB. CPU representative will advise employee of the monthly premium due.
- **If the employee is enrolled in a Health Maintenance Organization (HMO, employee must contact the HMO directly to inquire about 18 month conversion privileges.**
- **If employee plans to retire, RETIREE medical insurance may be available if either of the following conditions is met:**
- **If you were an active employee who participated in the Army NAF medical program, to include the HMO, on December 31, 1999, with a minimum of five years of participation immediately preceding retirement and you are requesting an immediate annuity from the USA NAF Retirement Plan, you are eligible for medical insurance at a subsidized rate.**

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OR

- If you were an active employee who was participating in the Army NAF medical program, to include the HMO, on December 31, 1999, who retires between the ages of 62 and 65 on an immediate annuity and have 15 years participation in the Army NAF medical program, of which five years must immediately precede retirement, you are entitled to free retiree medical insurance until the first of the month that you turn 65. Thereafter, you are eligible for the subsidized retiree medical premium.

OR

- If you are an active employee who has participated in any government sponsored medical program for 15 years, with five years immediately preceding retirement and you are requesting an immediate monthly annuity, you are eligible for subsidized retiree medical insurance.

Separating employees who are not participating in the retirement plan or who elect a refund of contributions and interest or a deferred annuity, are not eligible to participate in the retiree medical plan. They may be eligible for TCC. See TCC section for eligibility rules.

HIPAA certificates are sent by Aetna USHC to the employee's last address of record. An address of record must be submitted on DA 3473 to EBB and NFS. These certificates are mailed automatically each month, as a termination of employment record is received by Aetna USHC.

Disability Retirees

Separating employees who have been approved for disability by the Surgeon General, who are not disabled for a workers compensation injury or disease, must meet the same eligibility requirements for retiree medical as any other retiree. However, if a disability retiree has participated in the DoD Uniform Plan for the 90 day period immediately preceding retirement, the first 12 months of retiree medical coverage will have waiver of premium. After the 12 month waiver of premium, the disability retiree will either be eligible for the retiree medical plan or an additional 24 months of employee paid TCC, whichever is applicable in accordance with the eligibility rules.

Surviving Dependents

If the employee met the minimum eligibility requirements for TCC or Retiree medical, the survivor is entitled to 4 months waiver of premium immediately after the employee's death. The form "[Special Subsidized Temporary Continued Coverage \(TCC\) Form](#)" located at www.NAFbenefits.com must be completed immediately after the employee's death in order for this coverage to continue with Aetna for 4 months. For employees participating on their date of death, the survivor must also complete the "[Aetna Change Form](#)". After the 4 month waiver of premium, the survivor is either eligible for TCC for 32 more months or eligible for the subsidized retiree medical plan. Survivor must submit premiums due in order for coverage to continue beyond the 4 months of waiver of premium. TCC eligible survivors must complete the "[18 Month Temporary Continuation Coverage](#)" Form before the 4 month waiver of premium ends and submit it to EBB with the first month's premium check. Survivor's eligible to participate in the subsidized retiree medical plan must complete the "[DoD NAF HBP Retiree Health Plan](#)" form before the 4 month waiver of premium ends, and submit it with the first month's premium check to EBB.

If the employee/retiree was in the DoD Uniform Plan or HMO for the 90 day period immediately preceding death and the employee met the eligibility requirements for retiree medical insurance stated above, to include eligibility for the survivor to receive a survivor retirement benefit (employee must have been vested in the retirement plan), the surviving spouse is eligible to participate in the post retirement subsidized medical plan. Survivors cannot add any new dependents to this coverage except employee/retiree's child born after his death.

Survivors of retirees who were participating in the subsidized retiree medical plan family coverage, are eligible to continue participation after the retiree's death. Survivors will be responsible for continuing the premium due each month after the retiree's death. Survivor will need to complete the "[DoD NAF HBP Retiree Health Plan](#)" Form and submit the premium check to EBB for coverage to continue. Application and premium must be sent to EBB before the 4 month waiver of premium ends.

GROUP LIFE INSURANCE PLAN

- The employee may convert his/her Life Insurance coverage to an individual policy. Information concerning converting life insurance can be found on page 10 of the **Group Life Insurance Summary Plan Description** found on the NAF Benefits website. Premium for life insurance conversion is not at the same rate as the group coverage in which the employee is currently enrolled. The conversion form is attached to this email.
- If employee is retiring on an immediate annuity only, Life Insurance is free for a certain period of time, provided he/she has been covered by the basic life plan for the 5-year period immediately preceding retirement. Life insurance is free for the lowest amount of coverage the employee had during the 5-year period immediately preceding retirement. This coverage will be reduced 2% each month beginning when the employee turns age 65. However, it will never reduce lower than 25% of the lowest amount of coverage the employee had during the 5 years immediately preceding retirement. The life insurance amount and certificate will be completed upon calculation of the retirement option papers at EBB. Retirees are eligible to convert the difference between the low 5 amount and the amount of insurance in effect at retirement (if greater than the low 5 amount), to an individual policy. See page 10 of the Group Life Insurance Summary Plan Description for more details. **Conversion forms must be submitted directly to the address on the form: HRMP, Life Conversions, 5 Hutchinson Drive, Danvers, MA 01923-3777. Do not send the forms to EBB!**
- Retiring employees are eligible to continue optional life insurance of the lowest amount in effect during the 5-year period immediately preceding retirement, if they retire on an immediate annuity. This coverage is free of charge after age 65 and reduces at the rate of 2% per month until it is exhausted at age 69 and 1 month. Employees retiring before age 65, who are eligible for this option, must pay the premiums due until their 65th birthday in order to continue the coverage.

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Disability Retirees

Employees retiring on a disability retirement, who have participated in the basic group life insurance plan for the 5 year period immediately preceding retirement, and who are under age 62 at disability retirement, will receive waiver of premium on the basic life insurance in effect on Their last day worked. Upon their 62nd birthday, the amount of the basic life insurance will reduce to the lowest amount in effect during the 5 year period immediately preceding retirement (just like a normal retirement basic life insurance extension)

Portability of Benefits for NAF Employees (NAF to APF)

P.L. 101-508 amended by P.L. 104-106

A REMINDER CONCERNING EMPLOYEES WHO MOVE BETWEEN NON-APPROPRIATED FUND (NAF) AND APPROPRIATED FUND (APF) EMPLOYMENT SYSTEMS

Department of Defense (DoD) employees, who move between Nonappropriated Fund (NAF) and Appropriated Fund (APF) employment systems without a break in service of more than one year for portability of retirement benefits, are covered by the Portability Act. Employees are eligible to make a one time, career election, to remain in the NAF retirement system if they are vested (5 or more years participation in the Army NAF Retirement plan). Employees moving from APF to NAF are permitted to make a one time, career election, to remain in FERS or CSRS, if they are vested (5 or more years participation in either FERS or CSRS). The act provides pay, leave, health and life insurance coverage, and other benefit protection. It is essential that these actions be properly coded and processed to assure that DFAS payroll offices do not make lump sum payments of annual leave, and do make appropriate payroll deductions, as appropriate. Appendix F to DoD 1401.1-M, DoD Personnel Policy Manual for Nonappropriated Fund Instrumentalities, applies to both NAF and APF employees. It contains information concerning portability of benefits and may be viewed on the Internet at <http://www.cpmc.osd.mil/cpm/cpm.html>.

It is extremely important that NAF Civilian Personnel Units, Civilian Personnel Advisory Centers, and Civilian Personnel Operations Centers assure that all personnel involved in coding and processing personnel moves between NAF and APF employment systems are aware of and comply with the following information.

- a. DCPDS has a data element called AFC-TYPE-OF-PAY-CHG-PROJ that MUST be used if the employee moves from APF to NAF. The DIN is ARY and must be coded with a value of "R" (for rehired) on the transfer action. This coding inhibits the lump sum annual leave from being paid out.
- b. APF employees retaining the NAF retirement plan and contributing to the NAF 401(k) must have DIN ROA (Retirement Plan) and DIN R1B (NAF Retirement Indicator) coded properly in DCPDS. DIN ROA must be coded as "5-Other" and DIN R1B must be coded with the appropriate service from Central Table 612 (i.e. "A - Department of the Army") in order for the payroll office to make the proper deductions and allocations.
- c. The following remarks will also help avoid some of the errors that are occurring on an APF to NAF transfer:
 - o (1) Resignation submitted as required accepting a NAF position under Portability PL 101-508.
 - o (2) Annual and sick leave balance to transfer to gaining activity. (Only if break is within 3 days)
 - o (3) Please forward SF 1150 to: (appropriate NAF Civilian Personnel unit).

FORMS REQUIRED

Copies of the following forms (whichever are appropriate for the particular move) must be provided to the DFAS payroll office and to the NAF or APF gaining activity personnel office. The U.S Army Community and Family Support Center, Employee Benefits Branch (EBB), must also get copies of a. thru g. below before and after the employee's transfer date, and D. should be sent anytime there is a change in employee's retirement enrollment and F anytime there is a change in the employee's 401(k) Savings Plan enrollment. D. or the equivalent APF address change form, must be sent when there is, address or name changes. The EBB address is: Army NAF EBB, P.O. Box 107, Arlington, VA 22210-0107

- o A. Signed Portability Form (Election of Retirement Coverage as a Result of a Move from NAF to APF within the Department of Defense)
- o B. DA Form 3434, (Notification of Personnel Action) which describes the transfer of employment from NAF to APF.
- o C. SF 50 (Notification of Personnel Action) for APF employment.
- o D. DA 3473, Part I (Application for NAF Retirement and or Group Insurance Plans) Coded 04 for Termination of NAF employment, in box 15, select the portability of benefits box.
- o E. DA 3473 (Application for NAF Retirement Plan). Most recent Coded 01 or 05 for initial enrollment into NAF retirement plan.
- o F. DA 7426, which shows the current 401(k)-deferral percentage, Code 02 for transfer of employment, and NAF to APF portability Continue Contributions box checked.
- o G. If employee had an outstanding loan from his/her Army NAF 401k Savings Plan and they elect to remain in the Army NAF Retirement Plan through the Portability of Benefits Act 104-106, employee must **complete "AGREEMENT FOR REPAYMENT OF LOAN FROM US ARMY NAF EMPLOYEE 401(K) SAVINGS PLAN"** Form and submit to EBB, ATTN: Mrs. Edmond. This form is

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- located on the website under the Enrollment Forms Link. Attach this form to a copy of the DA 3434 indicating portability of benefits and a copy of the Portability of Benefits Election Form. Employees who are not vested in the USANAF Retirement Plan are NOT eligible for portability of retirement benefits and therefore are NOT eligible to repay 401(k) loans. Separating employees not eligible
- for portability of retirement benefits, may pay the remaining loan balance in full at termination or accept a default on their loan and be subject to the applicable IRS taxes and penalties. Contact Mrs. Edmond at 703-681-7341.

A NAF employee who transfers under portability of benefits to APF, who was covered under the Army NAF Medical Program and elects to participate in FEHB, will have the NAF Employee's health benefit coverage extended without charge to the employee for 31 days or until the employee becomes covered under FEHB, whichever comes first.

Out processing Retirement Benefits for Portability of Benefits Employees Participating in the Army NAF Retirement Plan and 401(k) Savings Plan.

When an APF employee who has remained in the Army NAF Retirement Plan through the Portability of Benefits Act, elects to retire, the following documents must be completed and forwarded to EBB by either the AF or NAF CPU office:

Retirement

- SF 50 (Notification of Personnel Action) separating employment for retirement.
- **DA 3715-R Requesting Immediate Annuity (Normal or Early Retirement Benefit)**
- Marriage Certificate, notarized with raised seal.
- Birth certificate for retiree and spouse, notarized with raised seal.

401(k)

- SF 50 (Notification of Personnel Action separating employment for retirement). Send Attn: Mrs. Edmond at EBB.
- Employee/retiree calls Fidelity Investments 30 days after separation to request a payout or rollover. See 401k instructions on page 2 of this document.

Life Insurance (Participation in the Army NAF Life Insurance plan and FEGLI participation is combined to meet the APF eligibility criteria for continuation of life insurance. These forms must come to EBB so that the premiums can be deducted from the Army NAF Retirement Annuity checks.)

- SF 2818 Continuation of Basic Life Insurance Coverage (with reductions).
- SF 2821 Certification of Insurance Status
- SF 2817 Life Insurance Election
- SF 2823 Beneficiary Election

Medical Insurance (Participation in the Army NAF Medical plan and FEHB participation is combined to meet the APF eligibility criteria for continuation of retiree medical insurance. These forms must come to EBB so that the premiums can be deducted from the Army NAF Retirement Annuity checks.

- Original Form SF 2809 Registration Form
- SF 2810 Transfer In

All of the above documents must be submitted together to EBB at: Army NAF EBB, P.O. Box 107, Arlington, VA 22210-0107, ATTN: Ms. NADEAU

Out processing Medical Life Continuations for APF to NAF Retirements

- **When a NAF employee who has remained in CSRS or FERS Retirement Systems elects to retire and they are participating in the Army NAF Medical Program (DoD Health Benefit Plan or HMO plan) and/or the Army NAF Group Life Insurance Plan, the following documents must be completed and forwarded to EBB so that the employee may continue the Army NAF Medical and Group Life Insurance into Retirement.**
- **Copy of the Portability of Benefits Election Form CSRS-NAF or FERS-NAF.**
- Copy of SF 2817 (Life Insurance Election FEGLI) indicating from and through dates of participation in FEGLI while the employee was on the APF side. (Participation in the Army NAF Life Insurance plan and FEGLI participation is combined to meet the Army NAF

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- Eligibility criteria for continuation of retiree life insurance. These forms must come to EBB so that the retiree is enrolled in the Army NAF Group Retiree Life Insurance Program), ATTN: Ms. Nadeau.
- Copy of SF 2809 (FEHB Election Form) indicating from and through dates of participation in FEHB while the employee was on the APF side. (Participation in the Army NAF Medical plan and FEHB participation is combined to meet the Army NAF Medical Program (DOD Health Benefit Plan) eligibility criteria for continuation of retiree medical insurance. These forms must come to EBB so that the retiree is enrolled in the DoDHBP Retiree Medical Plan, if he/she so desires).
- Aetna Change Form
- **"DoD NAF HBP Retiree Health Plan" Form**
- Memorandum to Ms. Nadeau with the above documents attached, stating the retiree's name, ssn, date of retirement, current mailing address, date of move from APF to NAF and employee's first month's premium check. All should be submitted on the separation date to EBB at: P.O. Box 107, Arlington, VA 22210-017.

NAF to NAF Portability

Processing Moves from Army NAF to another DoD Instrumentality within 90 Days (See Guidance in DoD 1401.1M, Appendix F)

When a regular Army NAF employee accepts employment with another DoD Instrumentality within 90 days of separation from the Army NAF regular position, portability of benefits will apply in accordance with DoD 1401.1M. Notification should be cited on the DA 3434 that the employee is obtaining other NAFI employment within 90 days and is eligible for portability of retirement benefits.

Employee must complete DA Form 3715-R and request a deferred annuity, payable at age 62, if the employee is vested. The retirement benefit cannot be paid until the employee retires from the other DoD NAFI. If employee is not vested in the retirement plan, he/she may request a refund of contributions and interest or request an MOD for 5 years. These forms must be submitted to EBB.

At retirement, the vested retiree will receive one monthly check from Army NAF and another monthly check or lump sum from the gaining NAFI.

Processing Moves from a DoD Instrumentality within 90 days to Army NAF

When an employee is hired in an Army NAF position within 90 days from another DoD NAFI, be sure block 16 is completed in its entirety on DA Form 3473, Part I. No other documentation is required unless the losing NAFI submitted a retirement calculation for the future benefit from the losing NAFI. If this document is submitted or if the employee has a copy of this document, it should be forwarded to EBB for the employee's benefit file.

Disclaimer: This is intended as an aid for out processing employees from the Army NAF Employee Benefits Program. Should any inconsistencies exist between this document and applicable regulations and plan documents, the regulations and plan documents govern.